

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1441 Main Street, Suite 300
Columbia, SC 29201



DAN E. ARNETT
CHIEF OF STAFF

Main Line: (803) 737-0800
Legal Department: (803) 737-0877

July 10, 2007

VIA ELECTRONIC FILING

FLORENCE P. BELSER
GENERAL COUNSEL

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, NW
Washington, DC 20554

RE: WC Docket No. 05-337 and CC Docket No. 06-45

Dear Ms. Dortch:

The South Carolina Office of Regulatory Staff ("ORS"), by undersigned counsel, submits this letter to the Commission pursuant to Section 1.1206 of the Commission rules to serve notice in the above-captioned proceedings of an *ex parte* meeting with Commission staff.

On July 9, 2007, Katie Morgan, Director of Telecommunications and Florence P. Belser, General Counsel met with Ian Dillner, Legal Advisor with the Office of Chairman Kevin J. Martin.

ORS expressed its position concerning the above-referenced proceedings and discussed matters related to Universal Service Fund ("USF") reform. A copy of the PowerPoint slides distributed and used at the meeting is attached. ORS discussed USF reform consistent with its filed comments and the attached presentation and explained ORS' opposition to the implementation of the interim cap proposed in the May 1, 2007 Recommended Decision of the Federal-State Joint Board on Universal Service ("Joint Board's Recommended Decision"). The topics discussed in the meeting included (1) ORS' position regarding implementation of an interim cap on high cost support provided to competitive eligible telecommunications carriers; (2) the status of pending state ETC certification proceedings in South Carolina; and (3) the complexities of USF reform.

Should you have any questions regarding this letter, please contact the undersigned.

Respectfully submitted,

Florence P. Belser
General Counsel

Enclosure

Comments Regarding Placing a Cap on FUSF High Cost Fund

Office of Regulatory Staff

July 9-10, 2007

CETC Support: 2006



MS:	\$139.6M
LA:	\$41.9M
KY:	\$25.9M
AL:	\$16.4M
FL:	\$9.4M
GA:	\$8.6M
NC:	\$7.4M
TN:	\$1.5M
SC:	\$0

ETC ACTIVITY IN SOUTH CAROLINA

Rulemaking

May – 05
FCC Issues
ETC Designation Rules

Jan – 06
ORS Requests
Rulemaking
Proceeding

Oct – 06
ETC Rules
Workshop

May – 07
ETC Rules
Workshop

Jun – 07
ETC Rules
Hearing

5/1/03

5/3/03

7/3/03

11/03

1/1/04

1/1/05

1/5/05

7/05

1/1/06

1/1/07

1/07

4/07

5/07

6/07

1/1/08

Alltel Files
ETC App

Hargray Files
ETC App

Alltel
Withdraws
App

FTC App
Denied

Budget Phone
Files ETC APP

Midwestern
Files ETC APP

Alltel Files
ETC App

Budget Phone
Withdraws APP

Hargray
Hearing Held

FTC Files
ETC App

FTC Files
ETC App

Company Filings

Requested USF Support from Pending Applicants

- Hargray Wireless – \$2.8 million
- Alltel - \$20 million
- FTC Wireless - \$3 million
- Also Applying
 - Seven Bridges Communications, LLC
 - Global Connection of Nevada
 - Midwestern Telecommunications Inc.

South Carolina's Request

- Do not establish an interim cap; or
- Establish a proxy cap so that South Carolinians can benefit from rural deployment of telecommunications services.